

Sai Regency Power Corporation Private Limited**Balance sheet***(All amounts are in ₹ Crores, unless otherwise stated)*

	Note	31 Mar 2018	31 Mar 2017
I ASSETS			
1 Non-current assets			
(a) Property & Plant Equipment	7	52.17	60.32
(b) Capital work in progress	7	-	0.06
(c) Intangible assets under development	8	0.05	0.05
(d) Financial Assets			
(i) Investments	9	85.65	317.84
(ii) Loans	11	70.93	0.47
(iii) Others financial assets	12	-	95.35
(e) Deferred tax assets, net	13	46.40	54.99
(f) Other non-current assets	14	0.01	0.06
		<u>255.21</u>	<u>529.14</u>
2 Current assets			
(a) Inventories	15	16.20	15.00
(b) Financial Assets			
(i) Trade receivables	10	26.06	40.38
(ii) Cash and cash equivalents	16	3.03	1.10
(iii) Bank balances other than (ii) above	17	6.58	11.83
(iv) Loans	11	200.92	217.49
(v) Others financial assets	12	233.04	21.02
(c) Current tax assets, net		0.12	0.04
(d) Other current assets	14	4.78	2.69
		<u>490.73</u>	<u>309.55</u>
TOTAL		<u>745.94</u>	<u>838.69</u>
II EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	18	16.72	16.72
(b) Other equity		213.23	282.89
		<u>229.95</u>	<u>299.61</u>
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	374.22	407.53
(ii) Other financial liabilities	22	14.59	5.05
(b) Provisions	20	0.39	0.36
(c) Other non current liabilities	23	0.41	0.35
		<u>389.62</u>	<u>413.28</u>
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	22.96	22.60
(ii) Trade payables	21	10.92	5.84
(iii) Other financial liabilities	22	72.40	70.28
(b) Other current liabilities	23	20.01	19.78
(c) Current tax liabilities		0.08	7.29
		<u>126.37</u>	<u>125.80</u>
TOTAL		<u>745.94</u>	<u>838.69</u>

See accompanying notes to financial statements

As per our report of even date

for **Umamaheswara Rao & Co**

Chartered Accountants

Firm Registration No.004453S

for and on behalf of the Board

S Venugopal

Partner

N.Ramakrishnan

Managing Director & CFO

DIN - 00835893

S Kishore

Director

DIN - 00006627

Place: Hyderabad

Date: 14 Jun 2018

Asmita Bhatt

Company Secretary

Sai Regency Power Corporation Private Limited**Statement of Profit and loss***(All amounts are in ₹ Crores, unless otherwise stated)*

	Note	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Revenue from Operations	24	161.50	161.48
Other income	25	8.79	31.24
Total revenue		170.29	192.73
Expenses			
Cost of fuel consumed	26	78.04	76.44
Employee benefit expenses	27	3.87	3.48
Finance costs	28	72.42	62.12
Other expenses	29	17.99	15.68
Depreciation and amortization expense	7 & 8	9.24	14.28
Total expenses		181.57	172.00
(Loss)/Profit before exceptional items		(11.27)	20.72
Exceptional item	38 & 39	54.50	-
(Loss)/Profit before tax		(65.77)	20.72
Tax expense / (income)			
Current tax		0.29	5.88
Earlier year taxes		(5.05)	-
Less: MAT credit entitlement		5.05	(5.88)
Deferred Tax	13	3.53	1.85
Total tax expenses		3.82	1.85
(Loss)/Profit for the year after tax		(69.60)	18.88
Other Comprehensive Income			
A Items that will not be reclassified to Profit & Loss			
Remeasurement of defined benefit plans	30	(0.06)	0.04
Other comprehensive (loss) / income		(0.06)	0.04
Total Comprehensive Income for the year		(69.66)	18.91
Earnings per share-EPS face value of ₹10 per share			
Class A - Basic and diluted	32	0.001	0.001
Class B - Basic		(56.31)	15.27
Class B - Diluted		(56.31)	11.38

See accompanying notes to financial statements

As per our report of even date

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Partner

Membership No.205565

N.Ramakrishnan

Managing Director & CFO

DIN - 00835893

S Kishore

Director

DIN - 00006627

Place : Hyderabad

Date : 14 Jun 2018

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Sai Regency Power Corporation Private Limited
Statement of Changes in Equity
(All amounts are in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Particulars	No of Shares	Amount
Balance as at 1 April, 2016	1,67,20,000	16.72
Changes in equity share capital during the year:	-	-
i) Issued during the year	-	-
Balance as at 31 March 2017	1,67,20,000	16.72
Balance as at 1st April, 2017	1,67,20,000	16.72
Changes in equity share capital during the year:	-	-
i) Issued during the year	-	-
Balance as at 31 March 2018	1,67,20,000	16.72

B. Other Equity

Particulars	Retained earnings	Total
Balance as at 1st April, 2016	263.98	263.98
Profit for the year	18.88	18.88
Remeasurement of defined benefit plans, net of tax	0.04	0.04
Total comprehensive profit for the year	18.91	18.91
Balance as at 31 March 2017	282.89	282.89
Balance as at 1st April, 2017	282.89	282.89
Loss for the year	(69.60)	(69.60)
Remeasurement of defined benefit plans, net of tax	(0.06)	(0.06)
Total comprehensive loss for the year	(69.66)	(69.66)
Balance as at 31 March 2018	213.23	213.23

See accompanying notes to the financial statements

As per our report of even date
for Umamaheswara Rao & Co.
Chartered Accountants
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N.Ramakrishnan
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DIN - 00835893

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Place : Hyderabad
Date : 14 Jun 2018

Asmita Bhatt
Company Secretary

Sai Regency Power Corporation Private Limited

Cash flow statement

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	31 Mar 2018	31 Mar 2017
A Cash flow from operating activities		
Profit before tax	(65.77)	20.72
Adjustments for		
Depreciation and amortisation expenses	9.24	14.28
Interest income	(4.66)	(27.88)
Unwinding of discount on deposit	(3.80)	(3.30)
Provision for dividend distribution tax	0.06	0.06
Other Comprehensive Income	(0.06)	0.04
Finance cost	72.42	62.12
Bad debts /receivable written off	55.60	-
Others, net	0.16	-
Operating profit before working capital changes	63.19	66.03
Adjustments for working capital		
Inventories	(1.20)	0.79
Trade receivables	13.21	5.38
Current assets	(3.00)	0.76
Financial assets	(0.06)	(0.49)
Trade payables	5.09	(5.13)
Other liabilities and provision	(10.09)	(1.29)
Cash generated from operations	67.15	66.05
Direct taxes (paid) / refund, net	(2.54)	(4.39)
Net cash from operating activities	64.61	61.66
B Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress and capital advances	(0.92)	(1.53)
Loans / advances, net	16.58	(115.02)
(Investment) / refund in share application money/deposit, net	-	(70.40)
Investment/redemption of deposits (held as margin money), net	5.25	2.26
Interest income	0.03	3.92
Net cash from/(used in) investing activities	20.95	(180.78)
C Cash flow from financing activities		
Finance cost paid	(56.42)	(48.23)
Proceeds from / (repayment of) short term borrowings, net	0.36	(3.13)
Proceeds from long term borrowings	0.25	204.31
Repayment of long term borrowings	(27.82)	(36.59)
Net cash generated from/(used in) financing activities	(83.63)	116.37
Net (increase/decrease) in cash and cash equivalents	1.93	(2.75)
Cash and cash equivalent - opening balance	16	3.84
Cash and cash equivalent - closing balance	3.03	1.10

Changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	31 Mar 2017	Non Cash changes				31 Mar 2018
		Net Cash flows	Finance cost charged	Fair value changes	Unammortised processing charges	
Long term borrowings	407.53	(27.57)	-	0.63	0.35	380.93
Short term borrowings	22.60	0.36	-	-	-	22.96
Interest accrued and due	16.35	(56.42)	72.42	(0.63)	(0.19)	31.54

See accompanying notes to the financial statements

As per our report of even date

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Company Secretary

Sai Regency Power Corporation Private Limited
Notes to the financial statements

1 Company Information

Sai Regency Power Corporation Private Limited (or “the Company”) is a company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at 2nd Floor, Crown Court, No.128, Cathedral Road, Chennai - 600 086. Company is engaged in the business of generation and sale of power through its power plant of 58 MW situated at Ramanadhpuram, Tamilnadu.

2 Basis of preparation

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on 14th June 2018.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items:

- Financial instruments that are designated as being at fair value through profit or loss account or through other comprehensive income upon initial recognition are measured at fair value;
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

3 Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards as of 1 April 2017, noted below.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2017

- **IND AS 102 – Shares Based Payments:** The amendments made to Ind AS 102 cover three accounting areas:
 - Measurement of cash-settled share-based payments
 - Classification of share-based payments settled net of tax withholdings and
 - Accounting for a modification of a share-based payment from cash-settled to equity-settled.

These amendments affect the classification and/or measurement of the share-based payment arrangements and potentially the timing and amount of expense recognised for new and outstanding awards.

- **IND AS 7 – Statement of Cash Flows:** The amendments made to Ind AS 7 require certain additional disclosures to be made for changes in liabilities arising from financing activities on account of non-cash transactions to improve information provided to users of financial statements about an entity’s financing activities.

These amendments do not have any material impact on the Company

4 Standards and interpretations not yet applied

At the date of authorisation of these standalone financial statements, the following Standards and relevant Interpretations, which have not been applied in these standalone financial statements, were in issue but not yet effective

Standard	Description	Effective for in reporting years starting on or after
IND AS 115	Revenue from Contracts with Customers	01-Apr-18
Appendix B to IND AS 21	Foreign currency transaction and advanced consideration	01-Apr-18

The Company has yet to assess the impact of above standards on the financial statements. However the management does not intend to apply any of these pronouncements early.

5 Significant accounting policies

5.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss.

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on written down basis over the estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used as follows:

Nature of asset	Useful life (years)
Buildings	10-60
Plant and equipment	3-25
Furniture & fixtures	1-10
Vehicles	8-10
Office equipment & computers	3-6

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

5.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Nature of asset	Useful life (years)
Software	3

5.3 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.4 Financial assets

Initial recognition & measurement

All regular way purchases or sales of financial assets are recognised/derecognised on a trade date basis.

Sai Regency Power Corporation Private Limited
Notes to the financial statements

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI).
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

5.5 Financial liabilities

Initial recognition

Financial liabilities within the scope of IND AS 109 are classified as

- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if criteria of IND AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the amortisation process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the P&L.

5.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

5.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Stores and spares - purchase cost on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

5.8 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Sale of electricity : Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end.

Deferred revenue : Non-refundable contributions received from the captive consumers of the Company are recognised as deferred revenue in the Balance sheet and transferred to statement of profit and loss on a systematic and rational basis over life of the term of the relevant agreement.

Interest and dividend income : Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

Sale of Renewable Energy Certificate (RECs) : Revenue from sale of Renewable Energy Certificate (RECs) is recognised on sale of eligible credits.

5.9 Taxes

Current income tax : Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax : Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

MAT Credit

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

5.10 Leases

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis.

5.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a All other borrowing costs including transaction costs are recognised in the statement of profit and loss in the year in which they are incurred, the amount being determined using the effective interest rate method.

5.12 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

5.13 Cash and short-term deposits

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

5.14 Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

5.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5.16 Employee benefits

Gratuity

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.

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The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with IND AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Employee state Insurance Scheme

Some employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

6 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IND AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.

The policies where significant estimates and judgments have been made are as follows:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Estimation of fair value of acquired financial assets and financial liabilities*: When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Un-collectability of trade receivables*: Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Further recoverability of various claims as per power purchase agreement including change in law claim are subject to adjudicate at appropriate regulatory authorities.

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Notes to the financial statements

- *Taxes*: Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.
- Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- *Gratuity benefits*: The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- *Useful lives of depreciable assets*: Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.
- *Provision*: The Company is currently defending certain lawsuits where the actual outcome may vary from the amount recognised in the financial statements. None of the provisions are discussed here in further details as that might seriously prejudice the Company's position in the related disputes.

7 Property, plant and equipment

	Land- Freehold	Buildings & Roads	Plant & Equipment	Furntiure fixtrures	Vehicles	Office equipment & Computers	Total	Capital work in progress
Deemed cost								
As at 1 April 2016	1.48	7.83	66.03	0.02	0.15	0.16	75.67	0.00
Additions	-	-	6.74	-	-	0.01	6.75	5.28
Disposals/transfers	-	-	(3.15)	-	-	-	(3.15)	-
As at 31 March 2017	1.48	7.83	69.63	0.02	0.15	0.16	79.27	5.28
As at 1 April 2017	1.48	7.83	69.63	0.02	0.15	0.16	79.27	5.28
Additions	0.54	-	0.06	-	0.48	0.00	1.09	-
Disposals/transfers	-	-	-	-	-	-	-	(5.28)
As at 31 March 2018	2.02	7.83	69.68	0.02	0.63	0.17	80.35	-
Depreication								
As at 1 April 2016	-	1.00	6.71	0.01	0.02	0.07	7.82	-
Additions	-	0.74	13.44	0.00	0.04	0.04	14.28	-
Disposals/transfers	-	-	(3.15)	-	-	-	(3.15)	-
As at 31 March 2017	-	1.75	17.01	0.01	0.06	0.12	18.95	-
As at 1 April 2017	-	1.75	17.01	0.01	0.06	0.12	18.95	-
Additions	-	0.58	8.50	0.00	0.12	0.03	9.24	-
As at 31 March 2018	-	2.33	25.51	0.01	0.18	0.15	28.18	-
Net book value								
As at 31 March 2017	1.48	6.09	52.62	0.01	0.09	0.04	60.32	5.28
As at 31 March 2018	2.02	5.50	44.17	0.00	0.45	0.02	52.17	-

Property, plant and equipment with a carrying amount of ₹ 52.17 (31 March 2017: ₹ 65.60) is subject to security restrictions (refer note.19)

8 Intangible assets

	Computer software	Total	Intangible assets under development
Deemed cost			
As at 1 April 2016	0.03	0.03	0.05
Additions	-	-	-
As at 31 March 2017	0.03	0.03	0.05
As at 1 April 2017	0.03	0.03	0.05
Additions	-	-	-
As at 31 March 2018	0.03	0.03	0.05
Depreication			
As at 1 April 2016	-	-	-
Additions	0.03	0.03	-
As at 31 March 2017	0.03	0.03	-
As at 1 April 2017	0.03	0.03	-
Additions	-	-	-
As at 31 March 2018	0.03	0.03	-
Net book value			
As at 31 March 2017	-	-	0.05
As at 31 March 2018	-	-	0.05

Intangible assets with a carrying amount of ₹ 0.05 (31 March 2017: ₹ 0.05) is subject to security restrictions (refer note.19)

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

9 Investments

	31 Mar 2018	31 Mar 2017
Non Current investments		
Fair value through OCI		
Investment in equity instruments		
<i>(Unquoted, fully paid-up)</i>		
209,600,000 (31 March 2017: 209,600,000) equity shares in KSK Mahanadi Power Company Limited	-	209.60
Debt instrument at amortised cost		
Investment in preference shares		
<i>(Unquoted, fully paid-up)</i>		
82,930,000 (31 March 2017: 82,930,000) 15% redeemable cumulative preference shares of ₹ 10/- each in Sai Wardha Power Generation Limited *	82.93	82.93
Fair value through P&L		
Investment in debentures		
<i>(Unquoted, fully paid-up)</i>		
24,320,000 (31 March 2017: 24,320,000) 0% optionally convertible debentures of ₹ 10/- each in JR Power Gen Private Limited	9.14	7.95
15,670,000 (31 March 2017: 15,670,000) 0% optionally convertible debentures of ₹ 10/- each in KSK Upper Subansiri Hydro Energy Limited	5.89	5.12
37,421,000 (31 March 2017: 37,421,000) 0% optionally convertible debentures of ₹ 10/- each in Kameng Dam Hydro Power Limited	14.07	12.23
Impairment of Investment	(26.38)	-
	85.65	317.84
Total	85.65	317.84
Aggregate amount of unquoted investments	112.03	317.84
Aggregate amount of impairment in the value of investments	26.38	-

*Management considers investment in preference shares and receivables from SWPGL are recoverable and no further impairment is required at this stage. (refer note 39)

10 Trade receivables

	31 Mar 2018	31 Mar 2017
Current		
Secured, considered good	3.77	4.66
Unsecured, considered good	22.29	35.72
Total	26.06	40.38

Trade receivables of ₹ 26.06 (31 Mar 2017: ₹ 40.38) for the Company have been pledged as security for borrowings (refer note 19)

The Company is having majority of receivables from captive consumers who are reputed industries engaged in their respective field of business. Hence they are secured from credit losses in the future.

11 Loans

	31 Mar 2018	31 Mar 2017
Non-Current		
<i>Unsecured, considered good</i>		
Security deposits	0.53	0.47
Loans and advances	70.40	-
	70.93	0.47
Current		
<i>Unsecured, considered good</i>		
Loans and advances	200.88	217.46
Other advances	0.03	0.03
	200.92	217.49
Total	271.85	217.97

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

12 Other financial assets

	31 Mar 2018	31 Mar 2017
Non Current		
<i>Unsecured, considered good</i>		
Advance for Investment	-	70.40
Interest accrued on deposits	-	24.95
	-	95.35
Current		
<i>Unsecured, considered good</i>		
Claims receivables	0.90	-
Other receivables	209.60	-
Interest accrued on deposits	22.54	21.02
	233.04	21.02
Total	233.04	116.37

13 Deferred tax liability / (assets)

Deferred income tax at 31 March 2018 and 31 March 2017 relates to the following:

	01 Apr 2017	Recognised in the income statement	Recognised in other comprehensi ve income	Others	31 Mar 2018
<i>Deferred income tax assets</i>					
MAT credit	58.59	(5.05)	-	-	53.53
	58.59	(5.05)	-	-	53.53
<i>Deferred income tax liabilities</i>					
Property, plant and equipment	(3.11)	(3.60)	-	-	(6.71)
Others	(0.48)	0.07	-	-	(0.42)
	(3.60)	(3.53)	-	-	(7.13)
<i>Deferred income tax asset, net</i>	54.99	(8.58)	-	-	46.40

	01 Apr 2016	Recognised in the income statement	Recognised in other comprehensi ve income	Others	31 Mar 2017
<i>Deferred income tax assets</i>					
MAT credit	52.70	5.88	-	-	58.59
	52.70	5.88	-	-	58.59
<i>Deferred income tax liabilities</i>					
Property, plant and equipment	(1.28)	(1.83)	-	-	(3.11)
Others	(0.47)	(0.02)	-	-	(0.48)
	(1.75)	(1.85)	-	-	(3.60)
<i>Deferred income tax asset, net</i>	50.95	4.04	-	-	54.99

Tax Reconciliation

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2018 and 31 March 2017 is as follows:

	31 Mar 2018	31 Mar 2017
Accounting Profit Before tax	(65.77)	20.72
Enacted tax rates	34.61%	34.61%
Tax on Profit at enacted rates	(22.76)	7.17
Expenditure not deductible for tax purpose	22.84	1.33
Income exempted or taxed at lower rates	3.48	(6.62)
Unrecognised deferred tax assets on PPE due to 80 IA	(0.00)	(0.01)
Deferred tax on Land Indexation	(0.02)	(0.03)
Income tax	0.29	-
Actual tax expense	3.82	1.85

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

14 Other assets

	31 Mar 2018	31 Mar 2017
Non-current		
Capital advances	0.01	0.06
	0.01	0.06
Current		
Advance for expenses / to suppliers	2.41	0.70
Prepaid expenses	0.28	0.43
Unbilled revenue	2.10	1.55
	4.78	2.69
Total	4.79	2.74

15 Inventories

	31 Mar 2018	31 Mar 2017
<i>(at lower of cost or net realisable value)</i>		
Stores and spares	16.20	15.00
Total	16.20	15.00

Inventories of ₹ 16.20 (31 March 2017: ₹ 15.00) for the Company have been pledged as security for borrowings (refer note 19)

16 Cash and cash equivalents

	31 Mar 2018	31 Mar 2017
Cash on hand;	0.02	0.02
Cheques in hand	-	0.61
Balances with banks;		
On current account	3.01	0.47
Total	3.03	1.10

17 Bank Balances other than Cash and cash equivalents

	31 Mar 2018	31 Mar 2017
Deposits with Bank held as margin money or security against guarantees or borrowings	6.58	11.83
Total	6.58	11.83

The Company has pledged its deposit with banks amounting to ₹ 6.58 (31 March 2017: ₹ 11.83) in order to fulfill collateral requirements.

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

18 Share capital

	31 Mar 2018	31 Mar 2017
Authorized:		
21,000,000 (31 March 2017: 21,000,000) equity shares of `10/- each	21.00	21.00
20,120,000 (31 March 2017: 20,120,000) preference shares of `10/- each	20.12	20.12
	41.12	41.12
Issued, subscribed and paid up:		
4,360,000 (31 March 2017: 4,360,000) Class A equity shares of `10/- each fully paid up	4.36	4.36
12,360,000 (31 March 2017: 12,360,000) Class B equity shares of `10/- each fully paid-up	12.36	12.36
Total	16.72	16.72

Notes

a) Terms/rights attached to equity shares

The Company has only two class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the class A holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts over class B holders. The distribution will be in proportion to the number of equity shares held by the share holders.

b) Reconciliation of number of shares outstanding

Particulars	31-Mar-18	31-Mar-17
Equity shares		
Class A equity shares, fully paid up		
Outstanding at the beginning of the year	4.36	4.36
Outstanding at the end of the year	4.36	4.36
Class B equity shares		
Outstanding at the beginning of the year	12.36	12.36
Outstanding at the end of the year	12.36	12.36

c) Particulars of share holders holding more than 5% of the share capital :

	31 Mar 2018	31 Mar 2017
Equity shares		
Class A Shares		
Brakes India Private Limited		
No of shares held	0.08	0.08
% of shares held	17.20%	17.20%
Jagannath Textile Company Limited		
No of shares held	0.05	0.05
% of shares held	12.04%	10.32%
Chemplast Sanmar Limited		
No of shares held	0.06	0.08
% of shares held	13.76%	17.20%
Orchid Pharma Limited		
No of shares held	0.06	0.05
% of shares held	13.76%	10.32%
Precot Meridian Limited		
No of shares held	0.03	0.03
% of shares held	6.88%	6.88%
Sundaram Clayton Limited		
No of shares held	0.04	0.04
% of shares held	8.60%	8.60%
MRF Limited		
No of shares held	0.04	0.04
% of shares held	8.60%	8.60%
The Lakshmi Mills Company Limited		
No of shares held	0.05	0.05
% of shares held	12.04%	12.04%
Class B Shares		
KSK Electricity Financing India Private Limited		
No of shares held	1.24	1.24
% of shares held	100%	100%

d) Equity shares held by holding company

Name of the shareholder	31 Mar 2018	31 Mar 2017
Holding company		
No. of shares held	1.24	1.24
% of shares held	100%	100%

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Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

19 Borrowings

	31 Mar 2018	31 Mar 2017
Non Current		
<i>Secured</i>		
Term loans		
Rupee loans from banks(refer note a)	264.79	299.04
Hire purchase loan (refer note e)	0.16	-
<i>Unsecured</i>		
Preference Shares (refer note c)	4.80	4.17
Debentures (refer note d)	104.47	104.31
	<u>374.22</u>	<u>407.53</u>
Current		
<i>Secured</i>		
Short-term borrowings		
Loans repayable on demand		
From banks (refer note b)	22.96	22.60
Total	<u>22.96</u>	<u>22.60</u>
Total	397.18	430.13

Note:

a. Security : First charge pari passu by way of mortgage on all company's immovable properties and hypothecation of movable properties. Pledge of certain equity shares of the company held by KSK Electricity Financing India Private Limited, the holding company.

The long term rupee loans are repayable in quarterly installments with the last installment of loans are payable by 31 March 2027. These loans carry a weightage average interest rate of 12.20% p.a.

b. Security : First pari passu charge on the entire current assets of the company including receivables, stores and spares and other current assets

c. 6% Convertible Preference shares are held by KSK Energy Ventures Limited, the step up holding company and are issued at a premium of ₹40/- each. These shares are redeemable or convertible by March 2031.

d. Non convertible debentures are redeemable by Aug 2021. These debentures carry interest of 21%, out of which 12% payable quarterly and balance interest along with redemption.

e. Security: Hire purchase loan is secured by pledge of vehicle purchased. The hire purchase borrowing carries an weightage average rate of interest of 9.15%. The hire purchase loans are repayable in monthly installments with the last installment of loans are payable by 20 August 2022.

20 Provisions

	31 Mar 2018	31 Mar 2017
Long-term provisions		
For employee benefits	0.39	0.36
Total	0.39	0.36

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table sets out the status of the gratuity plan as required under Ind AS 19

A. Net benefit liability

	31-Mar-18	31-Mar-17
Defined benefit obligation	0.76	0.53
Fair value of plan assets	(0.37)	(0.18)
Benefit liability	0.39	0.36

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Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

B. Changes in the present value of the defined benefit obligation are as follows

	31-Mar-18	31-Mar-17
Defined benefit obligation as at the beginning of the year	0.53	0.48
Current service cost	0.07	0.07
Past Service Cost - vested benefits	0.09	-
Interest cost	0.04	0.04
	0.21	0.11
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	0.06	(0.04)
	0.06	(0.04)
Others		
Benefits paid	(0.04)	(0.02)
	(0.04)	(0.02)
Defined benefit obligation as at the end of the year	0.76	0.53

Changes in fair value of plan assets are as follows

	31-Mar-18	31-Mar-17
Fair value of plan assets		
Fair value of plan assets beginning of the period	0.18	0.17
Included in income statement		
Interest income	0.01	0.01
	0.01	0.01
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	0.00	(0.00)
	0.00	(0.00)
Others		
Contributions	0.22	0.02
Benefits Paid	(0.04)	(0.02)
	0.18	(0.00)
Fair value of plan assets end of the period	0.37	0.18

Net defined benefit liability/(asset)

	31-Mar-18	31-Mar-17
Balance	0.36	0.31
Included in income statement		
Current service cost	0.07	0.07
Past Service Cost - vested benefits	0.09	-
Interest cost / (income)	0.03	0.02
	0.19	0.10
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	0.06	(0.04)
	0.06	(0.04)
Others		
Contributions by employer	(0.22)	(0.02)
	(0.22)	(0.02)
Defined benefit obligation as at the end of the year	0.39	0.36

Asset information

	31-Mar-18	31-Mar-17
Insurer managed funds	100%	100%

The principal assumptions used in determining the obligation towards the Group's plan as shown below:

	31-Mar-18	31-Mar-17
Discount rate	7.80%	7.45%
Rate of increase in compensation levels	10.00%	10.00%

Sensitivity analysis

	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	0.10	(0.08)	0.08	(0.07)
Salary Growth Rate (- / + 1% movement)	(0.08)	0.08	(0.06)	0.05

Discount rate: The discount rate is based on the prevailing market yields of Indian government bonds as at the balance sheet date for the estimated term of the obligations

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

21 Trade payables

	31 Mar 2018	31 Mar 2017
Dues to other than micro and small enterprises	10.92	5.84
Total	10.92	5.84

The company has not received any information from suppliers or service providers, whether they are covered under the 'The Micro, Small and Medium Enterprises Development Act, 2006'. Disclosure relating to amount unpaid at the period/year end together with interest payable, if any, as required under the said Act are not ascertainable.

Trade payable are non-interest bearing and mainly includes amount payable to natural gas suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Company pay to natural gas suppliers every fortnight. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

22 Other Financial liabilities

	31 Mar 2018	31 Mar 2017
Non-Current		
Interest accrued	14.59	5.05
	14.59	5.05
Current		
Current maturities of long-term debt	54.19	47.54
Current maturities of finance lease obligation	0.06	-
Interest accrued	16.94	11.30
Creditors for capital goods, including retention money	0.15	0.03
Other financial liability	-	10.54
Salaries and bonus payable	1.05	0.87
Total	72.40	70.28

23 Other liabilities

	31 Mar 2018	31 Mar 2017
Non-current		
Other liabilities	0.41	0.35
	0.41	0.35
Current		
Statutory liabilities	19.61	19.38
Deferred revenue	0.40	0.40
	20.01	19.78
Total	20.42	20.13

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

24 Revenue from operations

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Sale of electricity	158.86	160.68
Sale of renewable energy certificates	2.64	0.80
Total	161.50	161.48

25 Other income

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Interest income on financial instruments	1.56	15.45
Unwinding of discount on debentures	3.80	3.30
Interest income on preference shares	3.10	12.44
Miscellaneous income	0.34	0.05
Total	8.79	31.24

26 Cost of fuel consumed

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Natural gas	78.04	76.44
Total	78.04	76.44

27 Employee benefit expenses

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Salaries, wages and bonus	3.48	3.03
Contribution to provident and other funds	0.28	0.20
Staff welfare expenses	0.11	0.26
Total	3.87	3.48

28 Finance costs

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Interest expense	70.90	55.97
Unwinding of discount on redeemable preference shares	0.63	0.54
Other borrowing cost	0.89	0.56
Total	72.42	62.12

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

29 Other expenses

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Consumption of stores and spares	0.16	1.11
Cost of import power	0.73	0.82
Raw water charges	0.87	1.59
Rent	0.64	0.54
Rates and taxes	0.34	0.38
Printing and stationery	0.02	0.02
Communication expenses	0.05	0.05
Insurance charges	0.70	0.39
Legal and professional charges	1.14	0.52
Transmission and selling charges	0.77	1.24
Repairs and maintenance		
- plant and equipment	7.82	4.17
- building	0.05	-
- others	0.24	0.22
Remuneration to auditors		
for audit	0.10	0.06
for tax audit	0.00	0.01
for certification	0.00	0.00
Travel and conveyance	0.26	0.31
Corporate support service charges	2.04	2.00
Donation and gifts	0.53	1.20
Bad debts / advances/ receivables written off	1.11	-
Corporate social responsibility (refer note 37)	0.01	0.86
Miscellaneous expenses	0.39	0.20
Total	17.99	15.68

30 Other Comprehensive Income

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Items that will not be reclassified to Profit & Loss		
Remeasurements of the defined benefit plans	(0.06)	0.04
Total	(0.06)	0.04

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

31 a. Contingent liabilities

	31-Mar-18	31-Mar-17
Contingent liabilities		
Claims against the company not acknowledged as debts	122.91	122.38

b. Estimated amount of contracts remaining to be executed on capital account not provided for

	31-Mar-18	31-Mar-17
Estimated value of contracts remaining to be executed on capital account not provided for	0.50	0.50

32 Earning per share

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
Net profit attributable to equity shareholders-Basic	(69.60)	18.88
Preference Interest	0.68	0.60
Net profit attributable to equity shareholders-Diluted	(68.91)	19.48
Weighted average number of Shares for Basic EPS (Nos)		
Class A	43,60,000	43,60,000
Class B	1,23,60,000	1,23,60,000
Weighted average number of Shares for Diluted EPS (Nos)		
Class A	43,60,000	43,60,000
Class B	1,71,20,000	1,71,20,000
Basic Earnings per share (₹)		
Class A	0.001	0.001
Class B	(56.31)	15.27
Diluted Earnings per share (₹)		
Class A	0.001	0.001
Class B	(56.31)	11.38
Face value of shares	10/-	10/-

33 Financial risk management objectives and policies

The Company's risk management activities are subject to the management direction of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and other price risk, such as commodity risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the Company's profit before tax for the year would increase or decrease as follows:

Currency	Change in basis points	Effect on profit after tax / equity	
		31 Mar 2018	31 Mar 2017
INR	+50	(1.17)	(1.21)
INR	(50)	1.17	1.21

(b) Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of natura gas. Therefore the Group monitors its purchases closely to optimise the price.

Equity price risk

The Company's investments in unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company's exposure to unlisted equity securities was ` nil (31 March 2017 ` 209.60). The Company doesn't hold investment in any listed equity.

Credit risk analysis

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure for credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

	Note	Carrying value	
		31 Mar 2018	31 Mar 2017
Investments - at amortised cost	9	85.65	108.24
Short term deposits with banks	17	6.58	11.83
Trade receivables	10	26.06	40.38
Loans	11	271.85	217.97
Other financial asset	12	233.04	116.37
		623.17	494.79

Some of trade receivable are secured by collateral and other credit enhancement and amount reflected above are before netting of such collateral and other credit enhancement

The Company has exposure to credit risk from a limited customer group on account of supply of power. However, the Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The credit worthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company's management believes that all the above financial assets are not impaired for each of the reporting dates under review and are of good credit quality.

Liquidity risk analysis

The Company's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90 day projection.

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2018:

	Current		Non-current		Total
	within 12 months	1-5 years	Later than 5 years		
Loan and borrowings	136.64	434.94	144.82		716.41
Trade and other payables	10.92	-	-		10.92
Other financial liabilities	18.15	14.59	-		32.74
Total	165.72	449.53	144.82		760.07

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2017:

	Current		Non-current		Total
	within 12 months	1-5 years	Later than 5 years		
Loan and borrowings	133.26	474.81	205.31		813.37
Trade and other payables	5.84	-	-		5.84
Other financial liabilities	22.74	5.05	-		27.79
Total	161.84	479.86	205.31		847.00

Capital management

Capital includes equity attributable to the equity holders of the parent and debt.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value objectives include, among others:

- Ensure Company's ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, non convertible debentures, corporate loan facilities to arrive at an optimal capital mix;

No changes were made in the objectives, policies or processes during the year ended 31 March 2018 and 31 March 2017.

The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements.

The Company net debt to equity ratio at the reporting date is as follows:

	31 Mar 2018	31 Mar 2017
Total borrowing	451.38	477.67
Less : Cash and bank balances	3.03	1.10
Less : Other bank balances	6.58	11.83
Net debt	441.77	464.74
Equity	229.95	299.61
Total equity	229.95	299.61
Net debt to equity ratio	1.92	1.55

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

34 Financial Instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value
	31 Mar 2018	31 Mar 2018	31 Mar 2017	31 Mar 2017
Non- current financial assets				
Investments - at fair value through other comprehensive income	-	-	209.60	209.60
Investments - At amortised cost	85.65	85.65	108.24	108.24
Loans	70.93	70.93	0.47	0.47
Other financial asset	-	-	95.35	95.35
Total non-current	156.58	156.58	413.66	413.66
Current financial assets				
Trade receivables	26.06	26.06	40.38	40.38
Cash and bank balances	3.03	3.03	1.10	1.10
Other bank balances	6.58	6.58	11.83	11.83
Loans	200.92	200.92	217.49	217.49
Other financial asset	233.04	233.04	21.02	21.02
Total current	469.63	469.63	291.82	291.82
Total	626.20	626.20	705.48	705.48
Non- current financial liabilities				
Borrowings	374.22	375.77	407.53	409.42
Other financial liabilities	14.59	14.59	5.05	5.05
Total non-current	388.82	390.37	412.58	414.47
Current financial liabilities				
Borrowings	22.96	22.96	22.60	22.60
Trade payables	10.92	10.92	5.84	5.84
Other financial liabilities	72.40	72.58	70.28	70.47
Total current	106.28	106.47	98.72	98.90
Total	495.10	496.84	511.29	513.38

Sai Regency Power Corporation Private Limited
Notes to financial statements (continued)
(All amounts are in ₹ Crores, unless otherwise stated)

35 Related parties

a.Parties where control exists	Relationship
KSK Electricity Financing India Private Limited	Holding Company
KSK Energy Ventures Limited	Step - up holding Company

b.Parties where significant influence exists	Relationship
KSK Mahanadi Power Company Limited	Fellow Subsidiary*
Sai Lilagar Power Generation Limited	Fellow Subsidiary
VS Lignite Power Private Limited	Fellow Subsidiary*
JR Power Gen Private Limited	Fellow Subsidiary
KSK Upper Subansiri Hydro Energy Limited	Fellow Subsidiary
Kameng Dam Hydro Power Limited	Fellow Subsidiary
KSK Energy Resource Private Limited	Fellow Subsidiary
KSK Mineral Resource Private Limited	Fellow Subsidiary
KSK Energy Company Private Limited	Fellow Subsidiary
Sai Wardha Power Generation Limited	Fellow Subsidiary*

*Ceased to be fellow subsidiary w.e.f. 27th March 2018

*Ceased to be fellow subsidiary w.e.f. 29th August 2017

*Ceased to be fellow subsidiary w.e.f. 28th April 2017

c.Key Management Personnel

Name of the related party	
N Ramakrishnan	Managing Director & CFO
S Kishore	Director
K A Sastry	Director

35 d. Particulars of related party transactions

S.No.	Nature of transaction	31-Mar-18			31-Mar-17		
		Holding / Step up holding	Fellow subsidiaries	KMP	Holding / Step up holding	Fellow subsidiaries	KMP
Transactions for the year							
1	Interest expense	0.63	-	-	0.54	-	-
2	Interest income	1.50	6.90	-	3.24	26.51	-
3	Corporate support services fee	2.04	-	-	2.00	-	-
4	Loan taken/(repaid), net	-	-	-	(3.15)	-	-
5	Loan and (advances given)/refund back, net	17.53	(0.95)	-	(15.38)	(99.65)	-
6	Managerial remuneration	-	-	0.36	-	-	0.36

Balances

S.No.	Nature of transaction	Holding / Step up holding	Fellow subsidiaries	KMP
31 March 2018				
1	Amount receivable	4.15	219.55	-
2	Amount payable	0.47	-	-
3	Managerial remuneration payable	-	-	0.03
31 March 2017				
1	Amount receivable	20.33	242.37	-
2	Amount payable	0.46	-	-
3	Managerial remuneration payable	-	-	0.03

The Company has given Corporate guarantee to IDFC for availing loan by Sai Wardha Power Generation Limited against loan of ₹ 194 and Loan outstanding as on 31 March 18 ₹ 123.57 (31 March 2017 ₹ 122.25)

36 Segment information

As the Company is engaged only in the generation and sale of electricity at Tamilnadu state. Considering the nature of Company's business and operations as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

Sai Regency Power Corporation Private Limited**Notes to financial statements (continued)***(All amounts are in ₹ Crores, unless otherwise stated)*

- 37 The Company has incurred an amount of ₹ 0.01 (31 March, 2017: ₹ 0.86) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses.

Particulars	31-Mar-18		31-Mar-17	
	In cash	Yet to be paid	In cash	Yet to be paid
(a) Gross amount required to be spent	-	-	-	-
(b) Amount spend on	-	-	-	-
(i) Construction/acquisition of asset	-	-	-	-
(ii) On purpose other than (i) above	0.01	-	0.86	-

Expenditure incurred on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 the Company is required to spend a minimum amount of ` 0.60 towards CSR activities for the year ended 31-03-2018 and an amount of ` 0.01 was spent during the year.

- 38 Considering the wider development across the energy sector in India, wherein even commissioned and operational projects are facing significant stress for resolution, the immediate demand for partially developed project, especially various hydro and other projects that entail further development and construction risks, would attract very limited investor interest. Resultantly, the Company has re evaluated the recoverability of its investment in various Hydro, Solar and other projects which are under various stages of construction and implementation over few years. Based on such reassessment, Company has undertaken impairment of Investment, Property, Plant and Equipment (PPE) and other assets related to such projects accordingly recognised an impairment loss of `26.45 Crs and disclosed the same as exceptional item.
- 39 Sai Wardha Power Generation Limited ('SWPGL') Lenders on 28th April 2017 have decided to implement change in Management and restructure the debt under "Outside Strategic Debt Restructuring Scheme ('OSDR') ase per the RBI guidelines. Hence recoverability of interest on preference shares is uncertain and Company has decided to impair the interest receivable from SWPGL of `28.05 Crs and disclosed the same as exceptional item.
- 40 The Company has made an investment of `209.60 Crs in KSK Mahanadi Power Company Limited ('KMPCL') in the form of equity shares. The Company has pledged entire shares with Power Finance Company Limited ('PFC) as Security Trustee for the financial assistance granted by lenders to KMPCL. Pursuant to the RBI Circular dated 12th February, 2018 and lenders decision on 27th March 2018 to consider the change in management outside NCLT, during May 2018 lenders have accordingly invoked the entire shares held by the Company. Hence the Company has derecognised the related carrying value of investment in KMPCL and classified as receivable from PFC.

As per our audit report of even date attached

for **Umamaheswara Rao & Co**
Chartered Accountants
Firm Registration No.004453S

for **and on behalf of the Board**

S Venugopal
Partner
Membership No.205565
Place: Hyderabad
Date: 14 Jun 2018

N.Ramakrishnan
Managing Director & CFO
DIN - 00835893

S Kishore
Director
DIN - 00006627

Asmita Bhatt
Company Secretary